

**EXHIBIT G**

**SAMPLE - PAYMENT AND PERFORMANCE LETTER OF CREDIT**

**BANK LETTERHEAD**

**IRREVOCABLE STANDBY LETTER OF CREDIT**

DATE: \_\_\_\_\_

TO: Acquisition and Sales Division  
Mail Stop FE-4451  
Project Management Office  
Strategic Petroleum Reserve  
U.S. Department of Energy  
900 Commerce Road East  
New Orleans, LA 70123

CONTRACTOR: \_\_\_\_\_

CONTRACT NO.: \_\_\_\_\_

LETTER OF CREDIT NO.: \_\_\_\_\_

Gentlemen:

We hereby establish in the U.S. Department of Energy's favor our irrevocable standby Letter of Credit for about \$U.S. \_\_\_\_\_ (\_\_\_\_\_) effective immediately. This letter of credit is available by your draft/s at sight, drawn on us and accompanied by a manually signed statement that the signer is an authorized representative of the Department of Energy, and one or both of the following statements:

a. **"I HEREBY CERTIFY THAT THE UNITED STATES GOVERNMENT HAS DELIVERED CRUDE OIL UNDER THE TERMS OF CONTRACT NUMBER \_\_\_\_\_ AND THAT (CONTRACTOR) HAS NOT PAID UNDER THE TERMS OF THAT CONTRACT, AND AS A RESULT OWES THE GOVERNMENT \$ \_\_\_\_\_."**

b. **"I HEREBY CERTIFY THAT (CONTRACTOR) HAS FAILED TO TAKE DELIVERY OF CRUDE OIL UNDER THE TERMS OF CONTRACT NUMBER \_\_\_\_\_, AND AS A RESULT OWES THE GOVERNMENT \$ \_\_\_\_\_."**

Drafts must be presented for negotiations on or before the expiration date of this Letter of Credit, (Expiration Date), at our bank. The Government may make multiple drafts against this Letter of Credit.

Upon receipt of the U.S. Department of Energy's demand by hand, mail express delivery, or other means, at our office we will honor the demand and make payment, by 3 p.m. Eastern Time of the

next business day following receipt of the demand, by either wire transfer of funds as a deposit to the account of the U.S. Treasury over the Fedwire Deposit System Network, or by electronic funds transfer through the Automated Clearing House Network, using the Federal Remittance Express Program. The information to be included in each transfer will be as provided in the above referenced Contract.

This Letter of Credit is subject to the Uniform Customs and Practice for Documentary Credits (1993 Revision, International Chamber of Commerce Publication No. 500) and except as may be inconsistent therewith, to the Uniform Commercial Code in effect on the date of issuance of this Letter of Credit in the state in which the issuer's head office within the United States is located.

We hereby agree with the drawers, endorsers and bona fide holders that all drafts drawn under and in compliance with the terms of this Letter of Credit will be duly honored upon presentation and delivery of the above documents for negotiation at our bank on or before the expiration date.

Sincerely,

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(Authorized Signature)

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(Typed Name and Title)

INSTRUCTIONS FOR PAYMENT AND PERFORMANCE  
LETTER OF CREDIT

1. Letter of Credit must not vary in substance from this attachment. Provide a copy of this attachment to your bank.
2. Insert date of issuance of Letter of Credit.
3. Insert dollar amount of Letter of Credit in numbers and in words.
4. Banks shall fill in all blanks except those in the drawing statements. The drawing statements are in bold print with double lines for the blanks. Do not fill in the double-lined blanks.
5. The information to be included and format to be used either for wire transfer as a deposit over the Fedwire Deposit System Network or for electronic funds transfer through the Automated Clearing House network, using the Federal Remittance Express Program, will be provided in the Contract.
6. If available please include the American Bank Association Number on Letter of Credit.
7. Type name under authorized signature.